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### Capitalism And Democracy

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#### Recommended Citation

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# Capitalism and Democracy

Barry Schwartz

*The Capitalist Revolution* by Peter Berger. Basic Books, 1986, 262 pp.

*Democracy and Capitalism* by Samuel Bowles and Herbert Gintis. Basic Books, 1986, 244 pp.

## I

What is the relation between capitalism and democracy? As questions go, this one may seem like a nonstarter. Capitalism just *is* democracy, applied to the economic sphere of life rather than the political. We hold this truth to be self-evident. Milton Friedman does. Ronald Reagan does. And so do all of Ronald Reagan's political opponents who are even *remotely* electable to public office. We say, "It's a free country" to justify our decisions about voting. We also say it to justify what we wear, what we eat, where we live, what work we do, what stocks we buy, who we buy from and sell to. Democracy, to most of us, means freedom of choice, and no institution better embodies our freedom of choice than the capitalist marketplace. When we contrast our society with those of Eastern Europe and the Soviet Union, it is the colorlessness of their clothes, cars, and food, as much as their politics, that we find so appalling.

Like so many of the things we think we're sure of, this apparent relation between capitalism and democracy is not what it seems. It is certainly *logically* possible to have one without the other. On the one hand, democratic socialism remains the utopian dream of many an intellectual. On the other, authoritarian or totalitarian capitalism has been the very real nightmare of millions of

peasants living throughout the third world. So the relation between capitalism and democracy should not be taken for granted.

*The Capitalist Revolution* by the sociologist Peter Berger and *Democracy and Capitalism* by economists Samuel Bowles and Herbert Gintis are both attempts to analyze the relation between capitalism and democracy. Although both books are concerned with the same issues and presumably are examining the same social, economic, and political phenomena, they come to radically different conclusions. Berger concludes that a capitalist economy is necessary for a political democracy, and that capitalism plays a crucial causal role in fostering and preserving democratic political institutions. Bowles and Gintis conclude that capitalism and democracy are in conflict, and that the price for preserving capitalism as we know it may well be extracted in the currency of democratic participation. These different conclusions are partly the result of powerful effects of distortions that occur when a dynamic historical process is frozen into a pristine but static image. A stopped watch tells the right time twice a day. If you check the watch at *just the right moment*, it seems to be working fine. Berger caught the old watch at just the right moment, then looked away. Bowles and Gintis kept looking when the moment passed.

## II

Berger argues that ordinary, prosaic capitalism has been transformative and revolutionary. Even understood narrowly, as an economic system in which enterprising individuals or groups produce for a market with the purpose of making a profit, capitalism has played the decisive role in transforming modes of production, notions of private property, and individual preferences and motives. It is to capitalism that the "rational calculation of self-interest" owes its current exalted status as the most central and most natural of all

human activities. Understood more broadly, as a culture within which an economic system is embedded, the significance of capitalism is still more profound: It has exerted its influence on our social, political, and cultural life, as well as on our economic life.

*The Capitalist Revolution* offers a set of fifty propositions about the relation between prosperity, equality, and liberty, along with a discussion of the empirical evidence that supports the propositions. The bottom line of the book is that most of what we find good about modern American society owes itself in no small measure to capitalism, while much of what we find unfortunate is not peculiar to capitalism and may even be to some extent ameliorated by it. This book, in a word, constitutes something like "two and a half cheers for capitalism."

The first cheer for capitalism comes from an assessment of its contribution to material life. Berger's proposition here is simple and, I think, incontrovertible: "Industrial capitalism has generated the greatest productive power in human history. To date, no other socioeconomic system has been able to generate comparable productive power." Although its beginnings extracted considerable human costs—probably material and certainly cultural—it has ended up generating the highest standard of living for the masses of people in human history. And it is capitalism itself, not the peculiar agglomeration of religious and cultural elements that characterized Western Europe when capitalism began, that is responsible for this great material success. Production for profitable market exchange provides the best possible conditions for ongoing technological development, continued increases in efficiency, and sustained growth in productivity. This proposition is confirmed by the development of industrial capitalism in East Asia over the last century. Although they had none of the cultural baggage of the

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West, Japan, Taiwan, Hong Kong, South Korea, and Singapore have essentially duplicated, at least materially, the Western capitalist experience. So efficiency, productivity, and affluence make for one ringing cheer for capitalism.

The second cheer for capitalism comes from Berger's assessment of the relation between capitalism and democracy. He defines democracy as "a political system in which governments are constituted by majority votes in regular and uncoerced elections," and he argues that people can't have a democracy without capitalism, that is, that *capitalism is necessary for democracy*. The argument is partly one of brute empiricism; if you count up socialist and capitalist democracies in the modern world, it turns out that capitalism is pitching a shutout (leaving aside a few possible ambiguous cases). But it isn't just a matter of counting. Berger also offers suggestions about why this relation between capitalism and democracy might hold.

Democracy represents an attempt to limit state power, by making the state and its bureaucracy dependent upon and accountable to the people. The more aspects of life the state controls, the more difficult it becomes to limit state power. Capitalism and the market provide an institutional roadblock to the expansion of state power. No matter how regulated the economy may be, as long as it is not owned by the state, what the state can do is limited. The truth of this claim can be seen by the contrast with socialism, in which empirically at least the "command economy" carries along with it an immense expansion of state power and control. While it is true that developed capitalism has seen the corporation grow to such extraordinary size that its span of control and layers of bureaucracy are massive, there are many such corporations, not one, and their interests are not perfectly aligned, either with each other or with the state. As a result, they keep the power of the state within bounds and allow "the people" to govern.

The fundamental idea behind this argument is of great importance. It is bracing to think of democracy as government "of the people, by the people, and for the people." But the sad fact is that "the people" as individuals are powerless before the institutional structure of the state. Nowadays, even Don Quixote might get discouraged. Much

more effective is political action that is mediated by nongovernmental institutions that have and sustain a life of their own. Families, tribes, villages, labor unions, chambers of commerce, religious groups, universities, and the like provide the needed *mediating structures* or *mediating institutions* between individuals and the state. Berger has done seminal work on the character and importance of mediating institutions in the past (to wit, *To Empower People: The Role of Mediating Structures in Public Policy* with Richard Neuhaus, 1977). His suggestion in the present book is that the market and the firms that participate in it are essential mediating institutions. Indeed, in the modern world, the market and the firm may be the most powerful mediating institutions we have. Hence Berger's claim that capitalism is necessary for democracy, his second rousing cheer.

The final cheer for capitalism comes from an assessment of its effect on social and cultural life and institutions. This cheer is not unequivocal. Berger's discussion focuses on social mobility and stratification on the one hand and individualism on the other. The record on social mobility is a good one for capitalism. Berger tells us that no known society exists or has existed that has not ranked its members in some way. Furthermore, rank has always conferred privilege or power. The critical question one might ask about systems for ranking people concerns how rigid and all-encompassing the rankings are. According to Berger, under capitalism there has been an unprecedented potential for social mobility—for movement between ranks. Berger carefully points out that increased social mobility is characteristic of all forms of industrialization, not just capitalism. Nevertheless, capitalism is first among equals, "most likely to maintain openness in the stratification system of a society."

This brings us to the down side of capitalism and culture, its relation to individualism, or what Berger calls "individual autonomy." The United States is the pinnacle of individualist culture. Our individual autonomy, protected by a host of legal and political institutions, extends to almost all domains of life. As Berger points out, whether individualism is a good thing is itself controversial. "Today the proponents of capitalism almost always refer to its alleged linkage with indi-

vidual liberty . . . precisely in the sense of allowing and fostering the free unfolding of the individual person. On the other side, critics of capitalism routinely blame it for the alleged excesses of 'rampant individualism,' for selfishness and personal greed, and for the disintegration of community." And the critics are by no means all wild-eyed leftists. Concern about the disintegration of community and social responsibility is at least as much a cry of the right, including the religious right, as it is of the left. So is individualism a triumph or a disaster?

Berger's answer is that individualism is both. It is a triumph because it is liberating. It frees the individual from having to walk the narrow, rutted path of his or her ancestors. It opens the way for innovation—social, cultural, and technological. It is destructive of tradition, but not mindlessly so. It destroys the old by creating something new to replace it. But individualism can go too far. There is no guarantee that the mediating structures and institutions that are so important to the preservation of democracy will continue to sustain themselves if no one takes the time and trouble to look after them. And individualism seems to make people less and less inclined to take the time and trouble. In part, the problem is that each of us decides to let someone else do the communal work while we continue to derive the personal benefits. But the problem is also that as individuals exercise their freedom in ever more diverse ways, they find themselves less and less able to fit into any existing communal group.

**I**t is possible to pin some of the responsibility for individualism on modernity in general rather than on capitalism in particular, and Berger tries to do this. Yet capitalism seems to bear a special, intimate relation to individualism. As pointed out by sociologist Georg Simmel, the money economy "frees the individual from the bondage of concrete allegiances." Capitalism allows individuals to purchase not just commodities, but status, power, and social position. "Money, with its great power of abstraction, makes it possible to convert all socially relevant phenomena . . . into units of specific monetary worth." There can be no more fluid ticket of admission to one or another social group than money,



so that the more money allows one to buy, the more one can be a free agent, with only short-term allegiance, at best, to particular social institutions. If all assets—even social ones—are convertible into cash, people can flit from group to group without leaving anything of value behind.

What may be a decisive test of the relation between capitalism and corrosive individualism is now slowly unfolding. It concerns the phenomenon of East Asian capitalism, especially in Japan. Japan has less of the West's general individualist ideological baggage, and even its capitalism has been remarkably collectivist. Can it avoid individualism? Berger thinks not. "The societies of East Asia have succeeded for a considerable time in modernizing under capitalist conditions without undergoing individuation along Western lines. [However,] the values of individual autonomy are undermining East Asian communalism and are likely to continue doing so."

By Berger's account, we now face a capitalism-nourished individualism that threatens to destroy our sense of community. Relations between people are becoming increasingly contractual, and the contract "spells our rights and obligations in a precise and exclusive manner. This stands out in sharp distinction from the imprecise, diffuse networks of rights and obligations that characterize most if not all pre-modern societies. The capitalist market, of course, could not exist without a mature development of contract law. But there is a carry-over from the market to all other human relations." This contractualism, breeding as it does a cold, calculating, purely instrumental view of other people, does not bode well for the family, the church, local clubs and groups, and other mediating institutions that give some warmth to life. And as we have seen, threats to these mediating institutions are also threats to democracy. Indeed, in the long run, they are even threats to capitalism. Berger himself puts it this way: "Progressive anarchy, with each individual out 'on the make' by and for himself, undermines capitalism, because it deprives it of the fabric of trust and value without which it cannot function effectively." Berger is exactly right here, but he underestimates how much the negative effect of capitalism is slowly but inexorably undermining the positive ones.

Somehow, he fails to see that capitalism is now a stopped watch, and that two and a half cheers are just not enough.

The failure of Berger's vision may derive from his seriously misplaced confidence in the ability of the firm and the market to replace the mediating institutions which capitalist individualism destroys. To serve the end of promoting democratic participation, not just any institution will do. This point is clearly made by Harry Boyte and Sara Evans in their discussion of the importance of voluntary associations as sources of democratic change (see their articles in *Tikkun*, Vol. I, No. 1, and Vol. II, No. 3, and the book *Free Spaces*, Harper & Row, 1986). The critical features of such institutions are their rootedness in the community, their independent, voluntary nature, and "their public or quasi-public character as participatory environments which nurture values associated with citizenship and a broader vision of the common good." It doesn't take a cynic to understand that the firm and the market are the last places to look for a vision of and concern for the common good. Individuals in the market don't care a whit for the common good, nor are they "supposed" to. The whole point of the market is that it allegedly makes concern for the common good unnecessary. As economist Charles Schultze put it, "market-like arrangements reduce the need for compassion, patriotism, brotherly love, and cultural solidarity." And leaving aside so noble an idea as the common good, nowadays, individuals don't even care about the welfare of the firm that employs them. They will, and do, sell the long-term interests of their company down the river in exchange for short-term benefits to themselves. How does this behavior promote true democratic participation?

In voluntary associations of the sort that really do promote democracy, the whole is greater than the sum of its parts. As Boyte and Evans see it, "The strength of such groups, from a democratic perspective, is that they have an independent existence and reality different from personal relations on the one hand, or large and impersonal relations on the other. The stuff of authentic 'politics' involves conflict, argument and debate.... Indeed, it is often through a clash of opinion in the context of certain shared and overarching aims, that a generalized and

authentically democratic appreciation of the common good emerges." The Black churches of the American South and the Catholic based communities throughout Latin America have served perfectly the role of mediating institutions by providing spaces for open discourse and by being responsive to local concerns. In contrast, the official Catholic church hierarchy, closed to debate except among the elite, has not played this role and has become so large and impersonal that it has lost touch with the concerns of its members.

By regarding the market and the firm as potential mediating institutions, Berger implicitly takes the view that mediating institutions in general are really nothing but interest groups, single-issue lobbies out for themselves without concern for the common good. In other words, he makes the narrow, self-interested, profit-seeking character of the firm the model for all social institutions, in practice if not in theory. While it is true that interest groups restrain the power of government, they do so by introducing conflict and competition for pieces of the economic pie controlled by government. Not every such interest group can get everything it wants, but the lesson of the market is that no self-respecting interest group should ever stop angling for all it can get. Self-restraint is a game for suckers. The result is that government is pulled simultaneously in dozens of incompatible directions; interest-group politics substitutes government ineffectuality for government autocracy. With mediating institutions like these, we are all Robinson Crusoes.

### III

Economists Samuel Bowles and Herbert Gintis see what Peter Berger does not. Their book *Democracy and Capitalism* is a persuasive argument that the actual relation between democracy and capitalism is one of constant tension and conflict rather than compatibility and support. This conflict is opaque to most observers because several centuries of social and political philosophy have seduced us into viewing the world through lenses that make the obvious almost impossible to see. And yet, the conflict grows so acute that the future may require us to choose between democracy and capitalism.

Americans have grown up steeped in a liberal individualism that distinguishes between the public and the private spheres of life. The focus of the public sphere is the state, and the matters of political power, right, and responsibility that go with it. Essentially, everything else is private. Importantly, within the liberal tradition, democratic principles only apply in domains that are public. That is, rational adults elect state leaders. In other domains of life, like the family, the church, or the workplace—domains that are private—principles of democracy are irrelevant. Thus, there is no conflict between capitalism and democracy because their principles apply in different and nonoverlapping domains. In effect, conflicts between capitalism and democracy are eliminated *by definition*.

If you don't rule out conflicts by definition, you get them. Consider property. Private property is the *sine qua non* of capitalism. People have the right, within broad limits, to do what they want with their property. So why is it that I am not allowed to exclude you from my restaurant because you're Black, or a woman? Why can't I refuse to hire you, or refuse to pay you as much as I pay others doing similar work, because of your race, sex, or religion? The answer is that much, if not all, private property has a public aspect. Society decides to what extent principles of democracy should apply to the domain of private property. Much of the civil rights movement in this country, as well as the women's movement, can be seen in fact as a struggle to extend principles of democracy from the domain of the state to the domain of private property.

Instead of liberalism's artificial dichotomy of public and private, Bowles and Gintis offer a vision of social life as divided into spheres—the economic, the political, the cultural. The novelty is that each sphere of life has its own economic, political, and cultural aspects. Seen in this light, all spheres of life become contested terrain, battles between principles of democracy and principles of ownership. While this has always existed, due to the simultaneous expansion both of rights and of markets, the conflict between democracy and ownership has grown especially acute during the last few decades. The language of liberal democracy has increasingly invaded the firm, the school, and

even the family, slowly changing the norms of appropriate conduct in these domains. At the same time, "the capitalist firm's ongoing search for profits progressively encroaches upon all spheres of social activity, leaving few realms of life untouched by the imperatives of accumulation and the market."

That liberalism has effectively walled off considerations of democratic rights from considerations of ownership and that the wall is now crumbling is the heart of the Bowles and Gintis book. They discuss at length how economists and social theorists from both the left and the right have lacked this insight and, as a result, have misdiagnosed the problems society faces and have misprescribed solutions. Neoclassical economists have traditionally viewed economics as divorced from politics and questions of power. The myth of the market is that it is anonymous, impersonal, and apolitical. You sell to anyone for the right price and you buy from anyone for the right price. People who misuse the market by excluding segments of the population from the workforce or the customer pool or by withholding sound investments for nonbusiness reasons will be driven out of business by competitors who will hire anyone qualified, sell to anyone who can pay, and invest in anything that seems profitable. The only "power" that is displayed in the market is the power of economic rationality: efficient production, comparative advantage, and inventive opportunism. The language of rights and control has no place.

So goes the traditional view of the market economy. It is false, and not just because actual markets are only approximations of the perfectly competitive abstractions that economists talk about. Bowles and Gintis show that this view of the market is false for deep reasons that "perfect competition" won't change. The heart of the problem is that while economists view the labor-wage exchange between worker and boss as they would any other commodity exchange, it is not. Labor cannot be alienated from the laborer. You don't hire work, you hire workers. And to extract work from the worker, the boss must be able to exert control. When you buy a stereo, you know what you're getting. When you "buy" a worker, what you get is very much up in the air.

What this means is that in addition to the cost of the wage itself, the boss

must absorb the cost of enforcing the wage bargain. This may mean paying overseers or supervisors. It may mean offering incentives for productivity. It may mean being able to threaten serious sanctions for slacking off. What is clear, however, is that the more power the boss has over the worker, the more s/he will be able to get his or her money's worth on the job.

The costs of enforcing the wage bargain are substantial. The way that cost can be reduced is found in how the state enforces its laws. The costs of enforcement go down as the perceived legitimacy of the state and its laws goes up. In a participatory democracy, most citizens perceive themselves as having some responsibility for the rules that are promulgated and some stake in the success of the government. After all, the people who pass and enforce the laws are ultimately responsible to the citizens who elect them and pay their salaries. As a result, most laws are largely self-enforcing. In an autocratic state, the costs of enforcement are enormous. Rules have no perceived legitimacy, and anyone will do whatever s/he thinks s/he can get away with.

The lesson is clear. The capitalist can reduce enforcement costs by making his or her operation less autocratic and more participatory. S/he can give workers a voice in decision-making, make their work interesting and fulfilling so that they can identify proudly with the company, and perhaps even give them a financial stake in the operation. And the evidence is that democratization of the workplace does increase efficiency as well as worker satisfaction. The lower enforcement costs and higher efficiency that come with democratized and meaningful work would lead an economist to expect that, over time, democratized firms would drive autocratic ones out of existence. If one company makes things cheaper and better than its competitors, the competition either changes or goes under.

This hasn't happened. Indeed, there is little evidence that worker participation projects are anything but a mild perturbation on an otherwise smooth sea of autocracy. Why aren't worker-controlled firms taking over the market? Bowles and Gintis discuss several reasons why workplace democratization is not yet having the impact that,



on grounds of economic efficiency, it should. The one I focus on here can be traced to the difference between hiring work and hiring workers. Suppose you are about to set up a plant and establish jobs that are engaging, require substantial training and skill, and pay well. You hire workers and spend several months, and many thousands of dollars, training them. In effect, you use your capital to invest in education and training instead of in the plant and high-tech equipment. Who now owns that investment? Not you. If you fire the workers that you trained, or if they quit, they take the investment with them. The more time you spend training people, the greater your stake in keeping them and the greater their leverage in situations of conflict. While your firm may become more productive and efficient than the competition, you will not be in a position to insure that you, and not your workers, will enjoy the proceeds of that increased productivity. Furthermore, it is always possible that your skilled workers will blackmail you into paying them wages that are so high that any potential efficiency advantage is lost. Because you don't own workers and thus can't completely control their behavior, it seems prudent to invest in machines and keep jobs as menial as possible.

The "deskilling" phenomenon occurring within the American labor force has become an issue of widespread concern as America becomes increasingly a third-world-style economic nation, exporting raw materials and importing manufactured goods. It's a phenomenon that no one wants but about which nothing can be done as long as the liberal split is maintained between the public and the private, with matters of property firmly located in the private domain. Understandably, Bowles and Gintis would bring at least some aspects of property into the public domain. They argue that any exercise of power that has significant social consequences should be seen as public, whether that power is exercised by the state, by the economy, or even by the church or the household. And if it is seen as public, then principles of democratic decision making apply. There is no question that economic developments have significant social consequences. What follows from this is that the behavior of private firms should be the product of public decision making.

#### IV

In the portrait of human nature painted by liberalism, people are "choosers," acting in private (the market, the bedroom) or in public (the voting booth) to satisfy their preferences. What this portrait leaves out, Bowles and Gintis tell us, is any account of where preferences originate. Liberalism (and neoclassical economics) treats preferences as "exogenous," outside the system, given. There is no accounting for tastes; liberalism merely supplies the rules for the exercise of free choice in satisfying whatever those tastes are. People are what they are, human nature is what it is, and liberalism simply sees to it that people are as free as possible to exercise their natures.

**B**owles and Gintis argue that the notion of exogenous preferences just won't do. "Liberalism claims that the marketplace and the ballot box allow people to get what they want. But liberalism is silent on how people might get to be what they want to be, and how they might get to want what they want to want." Preferences come from somewhere; tastes are formed by something. People are what they are in part as a result of the conditions they encounter in their lives. The critical insight here is that economies do not just make things; they also make people. The cauldron of liberalism and capitalism permits not just the *exercise* but the *formation* of the will.

The reason this is so important is that the character of both an economy and a state will depend in part upon the character of its participants. An economy that encourages the pursuit of self-interest as a matter of right or even of obligation is prevented from becoming a bazaar of deceitful, backstabbing monsters only by the moral commitments that people bring with them to the marketplace. A democracy that offers individuals little opportunity for genuine participation is prevented from becoming a collection of automata marching periodically to the polls to record their affection for "communicators" only by the commitment people have to behaving as responsible citizens. If we could count on moral commitment and political responsibility, democracy and capitalism might coexist in the way that Berger suggests. But the very

features of the human character on which liberal democracy depends cannot be taken for granted. On the contrary, the political and economic system extolled by Berger actively erodes that character.

In the modern, liberal, capitalist state, the expression of will is restricted to the choice of a preestablished slate of candidates, either in the market or in the voting booth. The alternative to choosing from a given selection of candidates or of goods is taking an active part in the shaping of that selection. Such participatory activity is what Albert Hirschman calls "voice" (see his *Exit, Voice and Loyalty*). Giving voice in a large and complex society typically requires some form of group membership, some form of *gemeinschaft*, the "mediating institutions" previously mentioned, which market capitalism destroys. It is a great irony that those for whom mediating institutions like the family, the church, and the small-town community are most important are capitalism's most ardent defenders.

The mistake made by those who, like Berger, defend capitalism in part by crediting it with extending social interaction across previously impregnable barriers, increasing social mobility, and destroying autocratic, parochial domination, is their failure to appreciate that the effects of their capitalism are dynamic. Capitalism grinds away at social structures that are rigid, unjust, and oppressive, but when it gets to social structures that are flexible, fair, and liberating, it doesn't stop grinding, it just keeps on going and presumably will continue until social structures are simply gone. By photographing capitalism at one moment in its history, and staring at the photograph, one misses the important point that capitalism is not a still life, it's a movie.

The reason that the social decay we are experiencing has not been more noticeable to us is that markets reduce the costs to individuals of not participating actively in politics. As long as we have the cash, we can buy the ends we desire as individuals instead of campaigning, organizing, and arguing for them as groups. We can spend money on private schools and safe neighborhoods. It is this very lack of the need for group organization and coordination that champions of the market applaud. And as public commitment

and cultural solidarity grow weaker, market solutions to social problems look more sensible. Eventually, politics itself enters the market, with politicians "selling" programs for votes or campaign contributions. This leads to a dramatic diminution of the democratic voice. Once we start buying votes, politicians become property, and the norms of ownership wrest control of the state from the norms of democratic participation.

The consequence of equating norms of government activity with norms of market activity is that in the market, action is indicated only when the outcome of a cost-benefit calculation is positive. All action is instrumental; it is done to get something. If we carry this instrumental view of action into politics, there is virtually never a good reason to act. There is really nothing you can do as *an individual* to influence political life except for buying politicians. And what you can do as a member of a group can be done just as effectively by the group without you. As a result, the rational, economic stance to political activity is to be a "free-rider." It doesn't even make much sense to vote, let alone to organize, campaign, letter-write, or picket. Why, then, does political activity still occur? The answer is that people do not yet regard their activity as merely instrumental. Group membership and participation are also expressive; they are part of what defines people. People vote because of their self-images as citizens. People picket because it is consistent with their moral vision of themselves. At the heart of democratic participation is the idea that action is not just a means to an end.

But this idea is not engraved on the human character. As the ethos of the market and economic rationality govern more and more of our lives, the likelihood of participation will diminish, as indeed it already has. Once this happens, the various local groups—mediating institutions—that occupy the vast space between the individual and the state start to disintegrate. Thomas Jefferson thought that a healthy democracy required these "small republics," that they would be "the main strength of the great one." Bowles and Gintis add, "In the absence of vital communities standing between the individual and the state, liberalism's cherished political principle, liberty, is experienced more

as loneliness than as freedom."

In *Spheres of Justice*, Michael Walzer argues that different principles of justice apply within different spheres of life. Serious problems of injustice and inequity arise when the differentiation of spheres starts to break down, and success in one sphere is necessary for success in all the others. In such a situation, one good becomes dominant, and the people who control it control everything. Pascal described such a situation as tyranny.

Our society is fast becoming tyrannical, with money (property) as the dominant good. Money buys social position, housing, education, health care, good looks, and political power. When we see this in its extreme form, we recoil. Walzer describes the example of Pullman, Illinois, a company town literally owned—lock, stock, and barrel—by the Pullman Company. Mr. Pullman assumed that property rights applied in his town, just as they did in his factory. So just as he told its residents, all company employees, what to do in his factory, he also told them how to live in his town. They weren't required to live there, and he was a reasonably benevolent fellow, but, nevertheless, it seemed and was later judged in court to be wrong for anyone to "own" a town. The town we all live in is becoming increasingly similar to Pullman.

## V

How then do we go about preserving and protecting democracy from its corrosive contact with capitalism? Must we engage in the wholesale destruction of the state and the market as we know them? Bowles and Gintis think not. What is required is not one big struggle, but lots of small ones. Personal rights are to be preserved; they are not the mere bourgeois ideology perceived by Marxism. Property rights in some form are also to be preserved. For many years the mutual existence of personal and property rights seemed harmonious—even synergistic, as long as their discrete domains of application were preserved. But pressure to enlarge the sphere of personal rights has created conflicts. The way to resolve the conflicts, according to Bowles and Gintis, is to increase the scope of personal rights still further. If we increase the

range of permissible participation by workers in the workplace, by children in the school, by women and children in the family, we will foster the kind of human nature that will make for active participation in the state. Neither the corporation nor the state will be allowed to become autocratic.

There is nothing especially revolutionary in this proposal. As Bowles and Gintis point out, it is in many ways business as usual. Determining the scope of application of a set of principles is what social life is all about. The market is the place for exchanges of private property. But there are plenty of constraints on what can be exchanged, under what conditions. People can't sell themselves into slavery, nor can they sell their children. Car salesmen can't sell unsafe cars at a discount. Doctors and lawyers can't give bad service at bargain prices. Workers can be fired from their jobs, but they can't be beaten or imprisoned. What Bowles and Gintis are urging is that the different spheres of social life as we know them be preserved, but that principles of democracy and participation nudge principles of hierarchy and ownership wherever possible.

How does this extension of principles of democracy work to preserve mediating institutions and broader participation? First, since people's attitudes toward their work and their willingness to do it with care and energy depend on how work is organized, how rewards are distributed, and how authority is distributed, and how people are treated by their colleagues and supervisors, being treated as a responsible, participating agent on the job can be expected to contribute to the formation of character. Second, breaking down hierarchy, either in access to decisions or in access to goods, is a way of strengthening communal ties. As Walzer notes, "communal provision is important because it teaches us the value of membership. If we did not provide for one another, if we recognized no distinctions between members and strangers, we would have no reason to form and maintain political communities."

In the short run, the recommendations of Bowles and Gintis can be effective. The extension of personal rights can invigorate mediating institutions and strengthen democracy or at least protect it from being further weakened by corrosive market capital-



ism. But in the long run, the emphasis on personal rights feeds directly into the liberal individualism that Bowles and Gintis see as the philosophical core of our current social difficulties. In viewing the strategy of redressing the imbalance of rights as a general solution to the problem of conflict between democracy and capitalism, Bowles and Gintis are guilty of the same kind of shortsightedness as Berger. If we imagine the sort of extension of personal rights they propose and look a few years into the future, what we will see is a collection of individuals, all guarding their personal rights as they deal with the market and the state. Mediating institutions will have vanished. They will have vanished because while they play a critical role in helping to protect personal rights, the pursuit of personal rights does nothing in itself to protect them. What is missing is a notion of obligation or responsibility to the group that counterbalances or restrains the pursuit of personal rights.

In the short term, while individuals are grateful to their local institutions for helping them win difficult battles for autonomy and respect, the individuals will stay loyal to the institutions. But in the long term, as autonomy becomes commonplace, the importance of the institutions will be forgotten. So as the dynamic process of securing personal rights proceeds, the solution will become part of the problem.

Emphasis on individual rights has its times and places. It was critical in Western Europe and the colonies when people were trying to break the rigid social bonds of feudalism. But for us, those times are now past, and the appeal to individual rights must be balanced by an appeal to communal obligation and responsibility. Progressives have typically been suspicious of such appeals, regarding them as veiled attempts to keep power in the hands of established minority groups and out of the hands of the masses. And it should be said that such suspicions are not un-

warranted. However, what is most sorely needed now is an appeal to communal obligation that will keep mediating institutions strong enough to survive. Otherwise, isolated individuals will be pitted against states and markets that grow ever larger and less responsive to human concerns. The problem we all face is how to keep mediating institutions strong without making them completely inflexible.

There is reason to believe—and to hope—that Americans who have always regarded themselves as progressive now understand how important it is to preserve the mediating institutions that have played a formative role in their own lives. People to whom tradition, and especially traditional institutions, were always anathema have come to see how empty it is to try and go it alone, and how difficult it is to create “instant institutions” whenever a need for organized action arises. □

## BOOK REVIEW

# Jewish Education and the Challenge of Modernity

Barry W. Holtz

*Commandments and Concerns: Jewish Religious Education in Secular Society* by Michael Rosenak. Jewish Publication Society, 1987, 309 pp.

Jewish education suffers from many ills—inadequate funding, untrained personnel, spiritual ennui, to name the most obvious—but it is rare that we consider a profound difficulty that underlies all the rest: Jewish education is a field devoid of almost any serious theoretical or philosophical

reflection about the basic issues of the enterprise. It has produced almost no writing or thinking about the basic issues. One can find virtually no journals of stature devoted to such discussions; one can count on one's fingers the number of university scholars in this country whose sole responsibility is the academic discipline of Jewish education. And one finds a rather small library, indeed, of full-length books devoted to the subject.

Thus, to say that Michael Rosenak's *Commandments and Concerns* is the finest book about Jewish education of at least the last decade (as it certainly is), or that it indeed may be the finest book ever published in the English language about the theory and philosophy of Jewish education in the modern age, is both to recognize the magnificent contribution of this work and to acknowledge the state of the field as it stands today.

I do not mean to give a backhanded compliment to Rosenak for his accomplishment. This book would be a major work no matter what the library of Jewish education looked like. The question the book addresses is monumental: How has modernity changed the nature of the way we must pass on the Jewish tradition to future generations? Rosenak shows quite convincingly that for all but the most insulated Orthodox communities there is no escaping the effects of modernity on the task of education. The various coping strategies by which some people retreat into the fantasy of an intact premodern world (even though it no longer exists) and others bend tradition to the whim of a false “relevance” all fail to address the central problem at the core—we live in the world of modernity and that fact lies at the heart of our educational dilemma.

Rosenak believes that exploring this

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